

HGS (INDIA) LIMITED

REG. OFFICE: I & II Floors, Portion-2, A-259 Defence Colony, New Delhi-110024

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NOTICE FOR THIRTY SIXTH ANNUAL GENERAL MEETING

NOTICE is HEREBY GIVEN that the 36th (Thirty Sixth) Annual General Meeting of members of **HGS (INDIA) LIMITED** will be held on Monday the 27th day of September, 2021 at 2.00 P.M. through video conferencing ("VC")/ other audio-visual means ("OAVM"), to transact the following businesses: -

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Report of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended 31st March, 2021, together with the report of Auditors thereon.
2. To declare a final dividend at the rate of Rs. 2/- (Rupees Two only) per equity share of Rs. 10/- (Rupees ten) each fully paid-up of the Company for the financial year ended 31st March 2021.
3. To appoint a director in place of Mr. Samir Gugnani (DIN 03518423), who retires by rotation and being eligible, offers himself for re-appointment.
4. To reappoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s S. Ramanand Aiyar & Co., Chartered Accountants (Firm Registration No. 000990N), be and is hereby reappointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To approve the reappointment of and remuneration payable to Mr. Anil Dass as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197,

198 and 203 read with Schedule V and rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force, the reappointment of Mr. Anil Dass (DIN:00043366) as Managing Director of the Company for a period of three years from 1st Day of April, 2021 to 31st March, 2024 and Managerial Remuneration paid/ payable for the aforesaid period as approved by the Board of Directors in their meeting held on 26.03.2021 even though it is in excess of the limit prescribed under part II of Schedule V of Companies Act, 2013, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Anil Dass (DIN: 00043366), Managing Director of the Company be and is hereby authorized to sign and submit all the requisite documents to make the above resolution effective and to file the prescribed E-Form with the Registrar of Companies within prescribed time."

To approve the reappointment of and remuneration payable to Mr. Samir Gugnani as whole Time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

6. "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force, the reappointment of Mr. Samir Gugnani (DIN: 03518423) as Whole Time Director of the Company for a period of two years from 1st Day of April, 2021 to 31st March, 2023 and Managerial Remuneration paid/ payable for the aforesaid period as approved by the Board of Directors in their meeting held on 26.03.2021 even though it is in excess of the limit prescribed under part II of Schedule V of Companies Act, 2013, be and is hereby approved.

"RESOLVED FURTHER THAT Mr. Anil Dass (DIN: 00043366), Managing Director of the Company be and is hereby authorized to sign and submit all the requisite documents to make the above resolution effective and to file the prescribed E-Form with the Registrar of Companies within prescribed time."

For HGS (INDIA) LIMITED


Managing Director

Place: New Delhi

Date: 1st September, 2021

NOTES:

1. Considering the present Covid-19, pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020, April 13, 2020 and 13th January, 2021 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
3. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
4. Shareholders desiring any information as regards accounts are requested to write to the Company one week in advance, so as to enable the management to keep the information ready.
5. Corporate members to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting through email at pksingh@hgsindia.com. The Board Resolution must be received by the Company latest by close of the working hours of 18th September 2021.
6. The Company has notified closure of Register of Members and Share Transfer Books from 10th September, 2021 to 20th September, 2021 for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
7. The dividend, if declared at the meeting will be paid to those Shareholders whose names appear on the Register of Members as on Record date.
8. Record date for dividend is **10th September, 2021**.
9. BEETAL Financial & Computer Services Pvt Ltd, BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062, are the Registrar and Share Transfer Agent of the Company to deal with the physical as well as electronic share registry.
10. Members are requested to notify the Company or Registrar and Share Transfer Agent immediately of their Bank Account Number and name of the Bank and Branch in the case of physical holdings and to their respective

Depository Participant in the case of DEMAT shares, so that payment of dividend when made directly in the Bank Account of Shareholders to avoid delay/default.

11. Members are requested to notify immediately any change in their email address to the Company or Registrar and Share Transfer Agents in the case of physical holdings and to their respective Depository Participant in case of DEMAT shares.

12. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.hgsindia.com

13. Shareholders are requested to forward their e-mail addresses to the Company at pk Singh@hgsindia.com if they haven't done so in order for them to receive the Annual Report & other communication from the Company.
14. In case of joint holders attending the meeting, the member whose name appears as per Register of Members of the Company will be entitled to vote.

15. PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

The Company will provide VC / OAVM facility to its Members for participating at the AGM.

Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://www.microsoft.com/en-in/microsoft-365/microsoft-teams/group-chat-software> ("Web Link") or at the **Microsoft Teams Mobile app ("App")** available on Google Play Store and Apple Store.

Steps to be followed:

- Download the App or use the web link and sign up (for New User) or sign in (Existing User) in the Microsoft Teams only through the mail registered with the Company i.e. HGS (India) Limited.
- Click on the link of Meeting i.e.

[https://teams.microsoft.com/l/channel/19%3a4d2edaa60c264f00af27da5b61cb67fe%40thread.tacv2/36th%2520Annual%2520General%2520Meeting%2520of%2520HGS%2520\(India\)%2520Limited?groupId=72f31fa1-b393-4378-8922-6375d2c4d694&tenantId=68cd56ac-1856-4fd8-95bb-682988bcff35](https://teams.microsoft.com/l/channel/19%3a4d2edaa60c264f00af27da5b61cb67fe%40thread.tacv2/36th%2520Annual%2520General%2520Meeting%2520of%2520HGS%2520(India)%2520Limited?groupId=72f31fa1-b393-4378-8922-6375d2c4d694&tenantId=68cd56ac-1856-4fd8-95bb-682988bcff35)

(The Link is also given separately in the mail)

- Sign in with the registered mail and click on HGS (INDIA) LIMITED (Guests) to join the meeting.
- It is suggested to complete the whole process for joining meeting at

least two days before the meeting for smooth joining and to avoid technical difficulties at the time of meeting.

16. Members who need assistance to join AGM, may contact Mr. Paresh Kumar Singh, Company Secretary of the Company on pk Singh@hgsindia.com at least 48 hours before start of the meeting. Kindly quote your name, DP ID-Client ID/ Folio no. in all your communications.
17. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
18. Members can vote during the AGM by show of hand and through Chat option also.

For HGS (INDIA) LIMITED


Managing Director

Place: New Delhi

Date: 1st September 2021

Statement pursuant to Section 102 (1) of Companies Act, 2013

Item No.: 5

Mr. Anil Dass, Managing Director of the Company, whose term expired on 31st March, 2021 was re-appointed as Managing Director for a further period of three years effective from 1st April, 2021 by the Board in their meeting held on 26th March, 2021 subject to approval of the Members in the ensuing AGM. Mr. Anil Dass is member of CIMA and has a rich and diversified experience of over 41 years in the field of finance, marketing, production and management and under his guidance the Company has registered a tremendous growth in the past and your Directors are quite hopeful that this trend will continue in future also. Details of terms and conditions of his new tenure as Managing Director as approved by the Board in its meeting held on 26th March 2021 are given below:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors and he shall also perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors.
2. The agreement is for a period of three years effective from 01.04.2021 valid till 31.03.2024.
3. He shall be entitled to the following remuneration and perquisites provided the agreement of remuneration and perquisites shall be in accordance with the procedures laid down in Section 197 read with Schedule V of the Companies Act, 2013:-
 - a) Basic Salary : Rs 4,91,400 – 39,350 – 5,70,100 per month.
 - b) Commission : At a rate not exceeding 1 % (one percent) of the net profits of the Company.
 - c) Perquisites :

i) Housing:

The Expenditure by the Company on hiring (furnished or unfurnished) accommodation for the appointee will not exceed 60% of the Salary. In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance of 60 % of salary.

The expenditure incurred by the Company, on gas, electricity and water shall be valued as per Income Tax Rule, 1962 and subject to a ceiling of ten percent of the salary of the appointee.

- ii) Reimbursement of Medical Expenses** incurred for the appointee and his family subject to a ceiling of one month's salary

in a year or four month's salary over a period of four years.

- iii) **Leave Travel Concession** for the appointee and his family once a year to any destination in India subject to one month's salary per year.
- iv) **Fees of clubs** including annual membership to health club, subject to a maximum of two clubs. This will not include life membership fees.
- v) **Personal Accident Insurance** premium not exceeding Rs. 10,000/- per annum.
- vi) **Provident Fund / Gratuity** as per company rules.
- vii) **Free Use of Company's Car, Driver and Telephone** at residence for use on company's business. Personal long distance calls on telephone and use of car for private purpose shall be billed by company to the appointee.
- viii) **Encashment of leave** at the end of the tenure.

And whereas other terms and conditions of the said agreement are given below:-

- ix) Subject to the superintendence, control and direction of the Board of Directors, the Managing Director shall have the management of the affairs of the Company and shall perform such other duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board of Directors. Certain specific powers have been conferred upon the Managing Director to enable him to look after and to attend to day-to-day business of the Company.
- x) Unless prevented by ill health, the Managing Director shall devote his whole time and attention to the business and affairs of the company.
- xi) This agreement may be terminated by either party by giving three months' prior notice in writing to the other.

The Company has paid remuneration to Mr. Dass at the above rate from 1st April 2021 subject to approval of the shareholders in the ensuing AGM and members passing of the aforesaid special resolution would also approve remuneration already paid to Mr. Dass as above.

Our Company usually earns sufficient profit every year but some time due to circumstances beyond its control there can be a fall in the profit of the Company in any financial year due to which the remuneration payable to Managerial Persons may exceed the maximum limit of remuneration to be paid as per Section 197 (1) of the Companies Act, 2013 and under Part II of Schedule V of Companies Act, 2013. However, keeping in mind the reputation of the Company and contribution of Mr. Anil Dass in the growth of the Company during his previous tenures as Managing Director, it is suggested not to reduce the Remuneration and pay him the full remuneration for his full tenure i.e. from 1st April, 2021 to 31st March, 2024 as per the provisions of Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2013, as per which Special Resolution is required to be passed to pay the remuneration to the Managerial Persons in excess of the limits as mentioned above.

Therefore, the Board recommends passing of the aforesaid Special Resolution. None of the Directors except Mr. Anil Dass, being the appointee is interested in the aforesaid resolution.

Item No.: 6

Mr. Samir Gugnani completed his previous tenure as Whole Time Director on 31st March 2021. However, keeping in view Mr Gugnani's contribution to the Company during his previous tenure as Whole Time Director, the Board of Directors in its Meeting held on 26th March 2021 reappointed Mr. Gugnani as Whole Time Director for a further term of two years from 1st April 2021 to 31st March 2023. His aforesaid reappointment is subject to approval of the members in the ensuing Annual General Meeting (AGM) by way of a Special Resolution.

Mr. Samir Gugnani is a B. Tech in Electronics and MBA in Operations Management and has been associated with the Company for over 24 years at various positions. He has a rich experience of more than 30 years in the area of manufacturing, operations, factory administration and R&D activities. His knowledge & experience is of immense use to the Company.

Remuneration of Mr. Gugnani as approved by the Board is as follows:

a) Basic Salary	: Rs. 1,10,000/- pm
b) HRA	: Rs. 60,000/- pm
c) Children Education Allowance	: Rs. 800/- pm
d) Performance Allowance	: Rs. 1,15,000/- pm
e) Medical Reimbursement	: Rs. 13,750/- per month
f) Leave Travel Allowance	: Rs. 1,10,000/- pa
g) Telephone Expenses	: Rs. 75,000/- pa
h) Bonus/ Ex Gratia	: as per Company Rule

i) Perquisites

- a) Personal Accident Insurance as per Company Rules
- b) Provident Fund/ Gratuity as per Company Rules
- c) Free use of Company's Car and Driver for use on Company's Business
- d) Encashment of leave at the end of tenure.

And whereas other terms and conditions of the said agreement are given below:-

- i) Subject to the superintendence, control and direction of the Board of Directors, the Whole Time Director shall have the management of the affairs of the Company and shall perform such other duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board of Directors. Certain specific powers have been conferred upon the Managing Director to enable him to look after and to attend to day-to-day business of the Company.
- ii) Unless prevented by ill health, the Whole Time Director shall devote his whole time and attention to the business and affairs of the company.
- iii) This agreement may be terminated by either party by giving three months' prior notice in writing to the other.

The Board also has the power to review his remuneration on an annual basis and on the recommendation of remuneration committee of the Board provide increments from time to time.

The Company has paid remuneration to Mr. Gugnani at the above rate from 1st April 2021 subject to approval of the shareholders in the ensuing AGM and members passing of the aforesaid special resolution would also approve remuneration already paid to Mr. Gugnani as above.

Our Company usually earns sufficient profit every year but some time due to circumstances beyond its control there can be a fall in the profit of the Company in any financial year due to which the remuneration payable to Managerial Persons may exceed the maximum limit of remuneration to be paid as per Section 197 (1) of the Companies Act, 2013 and under Part II of Schedule V of Companies Act, 2013. However, keeping in mind the reputation of the Company and contribution of Mr. Gugnani in the growth of the Company during his previous tenures as Whole Time Director, it is suggested not to reduce the Remuneration and pay him the full remuneration for his full tenure i.e. from 1st April, 2021 to

31st March, 2023 as per the provisions of Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2013, as per which Special Resolution is required to be passed to pay the remuneration to the Managerial Persons in excess of the limits as mentioned above.

Therefore, the Board recommends passing of the aforesaid Special Resolution. None of the Directors except Mr. Gugnani, being the appointee is interested in the aforesaid resolution.

For HGS (INDIA) LIMITED


Managing Director

Place: New Delhi

Date: 1st September 2021



Thirty Sixth Annual Report 2020-21

HGS (INDIA) LIMITED

REGISTERED & HEAD OFFICE: I & II Floors, Portion-2, A-259 Defence Colony, New Delhi-110024
 TELE: 011-46066603/04 FAX: 24332771/2772 e-mail: sales@hgsindia.com web: www.hgsindia.com
 CIN: U74899DL1986PLC023341

DIRECTORS' REPORT

To
 The Members,

Your Directors take pleasure in presenting the **36th Annual Report** on the business and operations of the Company and the audited financial statements for the Financial Year ended March 31, 2021.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Board's Report has been prepared based on the standalone financial statements of the Company.

Financial Highlights (Standalone)

Particulars	2020-21		2019-20	
	Rs. Mn	\$ Mn*	Rs. Mn	\$ Mn*
Sales	403.49	5.51	483.72	6.42
Other Income	16.99	0.23	34.56	0.46
Gross Profit before Depreciation, Interest & Finance Charges	57.23	0.78	113.03	1.50
Depreciation, Interest & Finance Charges	17.72	0.24	18.95	0.25
Profit/(loss) for the year before Taxation	39.51	0.54	94.08	1.25
Provision for Taxation- Current Year & earlier years	7.53	0.10	23.5	0.31
Deferred Tax	1.13	0.02	(0.32)	0.00
Net Profit / (Loss) after Tax	30.85	0.42	70.90	0.94
Balance Profit/(Loss) brought Forward from Last Year	678.03	9.26	620.92	8.25
Net Profit/(Loss) Available for Appropriation	708.88	9.68	691.82	9.19
Appropriations				
Transfer to General Reserve	3.08	0.04	7.09	0.10
Dividend	22.24	0.30	5.56	0.07
Corporate Dividend Tax	0.00	0.00	1.14	0.02
Surplus carried to Balance Sheet	683.56	9.34	678.03	9.00

*Exchange Rate: 1\$ = Rs. 73.21 as on March 31, 2021 (1\$ = Rs. 75.32 as on March 31, 2020)



RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The Financial Year 2020-21 was a challenging year due the Covid Pandemic and a downturn in the worldwide requirements for your Company's products; the turnover and the profit of the Company for FY 2020-21 reduced as compared to FY 2019-20. The highlights of the performance on the basis of standalone financials are as under:

- Revenue from operations decreased by 16.59% from Rs. 483.72 million in 2019-20 to Rs. 403.49 million in 2020-21.
- Exports decreased by 20.14% from Rs. 215.71 million in 2019-20 to Rs. 172.26 million in 2020-21.
- PBDIT decreased by 49.36% from Rs. 113.03 million in 2019-20 to Rs. 57.23 million in 2020-21.
- Profit before Tax decreased by 57.99% from Rs. 94.08 million in 2019-20 to Rs. 39.52 million in 2020-21. This was mainly due to the volumetric turnover coming close to the break-even turnover for the given financial year.
- Earnings per Share for FY 2020-21 were Rs. 2.77 per share against Rs. 6.38 per share in FY 2019-20.

DIVIDEND

The Board of Directors has recommended a dividend of Rs. 2.00 (Rupees Two only) per equity share of `10/- (Ten rupees) each fully paid-up of the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

No unclaimed dividend was required to be transferred to Investor Education and Protection Fund in terms of Section 125 of the Companies Act, 2013.

RESERVES

An amount of Rs. 3.08 million is transferred to General Reserve during the year. Reserves as on 31.03.2021 comprise of Capital Reserve of Rs. 0.95 million, Security Premium of Rs. 0.51 million, Revaluation Reserve of Rs. 99.15 million, General Reserve of Rs. 216.45 million and credit balance in the Profit and Loss Account of Rs. 683.56 million, aggregating to Rs. 1000.62 million.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company with its wholly owned subsidiary company, HGS Products B.V. have been prepared in accordance with the provisions of Schedule III of the Companies Act, 2013 and Accounting Standards 21, 27 and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India.



Financial Highlights of the Company as per Consolidated Financial Statement:

(Consolidated Financials)

Particulars	2020-21		2019-20	
	Rs. Mn	\$ Mn*	Rs. Mn	\$ Mn*
Sales	419.38	5.73	520.10	6.91
Other Income	20.09	0.27	37.46	0.50
Gross Profit before Depreciation, Interest & Finance Charges	62.55	0.85	122.70	1.63
Depreciation, Interest & Finance Charges	17.91	0.24	19.13	0.25
Profit /(loss) for the year before Taxation	44.64	0.61	103.57	1.38
Provision for Taxation- Current Year & earlier years	8.44	0.11	24.31	0.32
Deferred Tax	1.13	0.02	(0.31)	(0.00)
Net Profit / (Loss) after Tax	35.07	0.48	79.57	1.06
Balance Profit/(Loss) brought Forward from Last Year	682.11	9.32	616.39	8.18
Less: Foreign Currency Translation Reserve	0.42	0.01	0.06	0.00
Net Profit/(Loss) Available for Appropriation	716.76	9.79	695.90	9.24
Appropriations				
Transfer to General Reserve	3.09	0.04	7.09	0.09
Dividend	22.24	0.30	5.56	0.07
Corporate Dividend Tax	0.00	0.00	1.14	0.02
Surplus carried to Balance Sheet	691.43	9.45	682.11	9.06

*Exchange Rate: 1\$ = Rs. 73.21 as on March 31, 2021 (1\$ = Rs. 75.32 as on March 31, 2020)

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of business operations done during the year under review:

a. Production: Financial Year 2020-21 was a challenging year. Due to Covid 19 and the ensuing downturn in the overall demand for your Company's products worldwide, production in the factories was limited to just over 9 months as compared to full operations of the previous year.

b. Sales and Profitability: Revenue from operations as per consolidated financial statement decreased by 19.36% from Rs. 520.10 million in 2019-20 to Rs. 419.38



million in 2020-21. Similarly, profit after tax as per consolidated financial statement decreased by 56% from Rs. 79.57 million in 2019-20 to Rs. 35.07 million in 2020-21.

c. Marketing and Market environment: The market environment for geophysical equipment in Financial Year 2020-21 was largely subdued due to cessation of operations during the year and lack of exploration acreage released in the year, resulting in a dearth of new seismic contracts. Coupled with this, the pandemic situation remained volatile during the whole year. However, it was the domestic market that provided your Company with orders which sustained the turnover for the year. The Company's subsidiary, HGS Products B.V. (HGSP) (formerly known as "Sensor Products B.V."), also suffered a slight reduction in its sales but managed to post a modest profit in its books. The domestic and international market environment is not likely to improve in FY 2021-22 as the Pandemic has not eased and the Company's performance is going to remain muted.

d. Future prospects including constraints due to Government policies:

The sales in financial year 2021-22 are not likely to improve due to a wait-and-watch trend being exhibited by oil companies for their exploration programs. Although oil prices have settled in the USD 60-70 per barrel range, most explorers are still not prepared to make sizeable commitments to their exploration programs. The market is reduced to national oil companies (NOCs) who will pursue their procurement programs regardless of the world situation. However, on the bright side, sales from orders being received from HGSP are expected to be higher due to a renewed demand for industrial geophones but margins are expected to be lower due to increased competition. Your Company is working on promoting alternative applications for its products such as earthquake monitoring, avalanche warning systems and ground surveillance to open up new markets. In order to do this, an assembly setup was created to build seismographs in India to comply with the 'Make in India' program and increase local content. This will enable the Company to not only sell its geophones and cables but provide complete solutions for such monitoring projects. Your Company also plans to corner a large portion of the geophone strings requirements emanating from projects awarded to Indian seismic contractors from ONGC & OIL India Ltd this year and some other private players, but again margins will be lower due to competition. The attempt is to monetize burgeoning inventory and ensure that competition does not encroach in your Company's home market base.

e. Performance of HGS Products BV (HGSP) Wholly owned subsidiary of the Company based in the Netherlands

Due to Covid which ravaged Europe in the first half of 2020, the performance of HGSP was limited to the latter part of the financial year. The revenue from its operations



decreased by 26.04% from Rs. 117.02 million in FY 2019-20 to Rs. 86.55 million in FY 2020-21, but due to healthy profit margins, the net profit increased by 17.42% from Rs. 4.42 million in FY 2019-20 to Rs. 5.19 million in FY 2020-21.

SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards, SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(A) Conservation of Energy-

Implementation of Solar Projects in both the factories has resulted in a substantial reduction in the power & fuel cost in 2020-21. Currently both factories operate roof top solar power generation to augment their respective power requirements with good results.

(B) Technology Absorption-

Your Company's manufacturing Agreement with Seismic Source was implemented in the latter part of the financial year and the first Indian assembled seismographs will be despatched in August 2021. With the assistance of its English & Dutch personnel from HGSP, your Company developed some very high sensitivity & very low frequency geophones. The Company sold its first lot of these new products in the last financial year and hopes to bag more orders for these boutique geophones. The Company also successfully developed its 10Hz hydrophone and is now aggressively scouting for projects where hydrophones have been specified for seismic surveys. Finally, the Company commercialized its motorized wall-lock geophone and hopes to bundle it with its seismograph offering for cross-hole tomography and vertical seismic profiling.

(C) Foreign exchange earnings and Outgo-

The total Foreign Exchange earnings during Financial Year 2020-21 was Rs. 181.61 million and Outgo was Rs. 0.16 million during the year under review.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are



systematically addressed through corrective action on a continuous basis. These risks are discussed at the meeting of the Board of Directors of the Company on a timely basis.

INTERNAL CONTROL SYSTEM

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by statutory as well as by internal auditors appointed to conduct internal audits. Significant audit observations and follow up actions thereon are reported to the Board. The Board of Directors reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There were no material changes and commitment affecting the financial position of the Company which occurred between the end of the Financial Year to which these financial statements relate and the date of the report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The composition of the Corporate Social Responsibility Committee of the Company consisting of four members, out of whom two are independent directors, is as follows:

01.	Mr. Anand Narain Bhatia	Independent Director	Chairman
02.	Mrs. Malti Sen	Independent Director	Member
03.	Mr. Anil Dass	Managing Director	Member
04.	Mr. Samir Gugnani	Executive Director	Member

The details of meetings attended by the Directors are given below:

Date of Meetings	Mr. Anand Narain Bhatia Chairman (Independent Director)	Mr. Anil Dass Member (Managing Director)	Mr. Samir Gugnani Member (Executive Director)	Mrs. Malti Sen Member (Independent Director)
30.06.2020	Yes	Yes	Yes	Yes

The Company continues its endeavour to improve the lives of people. The Company adopted a positive approach to address the COVID-19 pandemic. The Company



supported initiatives on healthcare, medical oxygen supply, emergency meal distribution etc.

In the year under review, the provisions of Section 135 of the Companies Act 2013 and rules therewith were applicable on your Company as the Net Profit of the Company was above the threshold limit as prescribed under Section 135 (1) of Companies Act, 2013. On the recommendation of CSR Committee and after approval from the Board the Company has spent approximately 0.8 million out of the entire budgeted amount of Rs. 1.3 million which was earmarked for CSR expenditure and also spent the unspent amount of Rs. 1.42 million related to FY 2019-2020 during the year under review in the activities / fund as mentioned in the Annual Report of CSR Activities attached herewith as **Annexure-I**. The unspent amount of 0.5 million related to current year has been transferred to Unspent CSR Account of the Company maintained with Deutsche Bank. The CSR Committee ensures that the implementation and monitoring of the projects are in compliance with the CSR objectives and Policy of the Company and provisions of Section 135 and rules thereunder.

The CSR projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities is annexed as **Annexure-I** and also published on the website of the Company on the www.hgsindia.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT MADE UNDER SECTION 186 OF THE COMPANIES ACT 2013

Total Investments of the Company are Rs. 270.49 million at the end of reporting financial year, as disclosed in Note Nos. 11 & 14 in the audited annual accounts of the Company, the provisions of Section 186 of the Companies Act, 2013 are complied with in this regard.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Transactions with related parties during the year under review have been at arms-length basis and disclosed in Note No. 31 in the audited annual accounts. Prior omnibus approval of the Audit Committee is obtained on an annual basis for all Related Party Transactions which are of a foreseen and repetitive nature. All Related Party Transactions actually contracted are subsequently reviewed by the Audit Committee on an annual basis in comparison with the conditions of omnibus approval and are recommended to the Board for approval. Particulars of contracts or arrangements with Related Parties referred to in Sub Section 1 of Section 188 read with Sub-Section (3) of Section 134 and Rule 8(2) of the (Companies Accounts) Rules, 2014 are attached in Form No. AOC 2 as **Annexure II**.

**AUDIT AND AUDITORS REPORT**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of the Secretarial Audit Report are not applicable to the Company.

FRAUD REPORTED BY AUDITOR

No Fraud was reported by the Auditors under sub section 12 of Section 143 of the Companies Act, 2013, in their report during the reporting period.

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT AND PAYMENT OF REMUNERATION

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is Annexed as **Annexure-III** and published on the website of the Company on www.hgsindia.com.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The details of meetings attended by the Directors are given below:

Date of Meetings	Name of Director				
	Mr. Anil Dass (Managing Director)	Major (R) Brijendra Singh (Non-Executive Director)	Mr. Samir Gugnani (Executive Director)	Mrs. Malti Sen (Independent Director)	Mr. Anand Narain Bhatia (Independent Director)
	00043366	00035599	03518423	06860814	00148983
30.06.2020	Yes	Yes	Yes	Yes	Yes
28.10.2020	Yes	No	Yes	Yes	Yes
15.01.2021	Yes	No	Yes	Yes	Yes
22.01.2021	Yes	No	Yes	Yes	Yes
26.03.2021	Yes	Yes	Yes	No	Yes

AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are applicable to the Company.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below:



Date of Meetings	Mr. Anand Narain Bhatia Chairman (Independent Director)	Mr. Anil Dass Member (Managing Director)	Mrs. Malti Sen Member (Independent Director)
30.06.2020	Yes	Yes	Yes

Disclosure: The Board accepted all recommendations of the Audit Committee

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Provisions relating to vigil mechanism for directors and employees as provided in Section 177 of the Companies Act, 2013 are not applicable to the Company.

NOMINATION AND REMUNERATION COMMITTEE:

The provisions of Section 178 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are applicable to the Company.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors are given below:

Date of Meetings	Mr. Anand Narain Bhatia Chairman (Independent Director)	Mr. Anil Dass Member (Managing Director)	Major (R) Brijendra Singh Member (Non-Executive Director)	Mrs. Malti Sen Member (Independent Director)
26.03.2021	Yes	Yes	Yes	Yes

Disclosure: The Board accepted all recommendations of the Nomination and Remuneration Committee.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;



- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has a wholly owned subsidiary by the name and style of HGS Products B.V. (Formerly known as M/S Sensor Products B.V.) which is registered and based in the Netherlands. A consolidated account of the Company with HGSP has been prepared and audited by the Statutory Auditors of the Company and pursuant to the first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, the prescribed Form No. AOC-1 containing salient features of the financial statement of subsidiaries/associate companies/joint ventures is annexed to this report as **Annexure IV**.

Financial Highlights of HGS Products B.V. (Wholly Owned Subsidiary Company)

Particulars	2020-21		2019-20	
	Rs. Mn	€ Mn	Rs. Mn	€ Mn
Revenue from Operations	86.55	1.02	117.02	1.46
Other income	3.68	0.04	2.93	0.04
Changes in Inventories	1.88	0.02	(3.93)	(0.06)
Gross Profit before Depreciation, Interest & Finance Charges	6.29	0.07	5.40	0.06
Depreciation, Interest & Finance Charges	0.19	0.00	0.17	0.00
Profit /(loss) for the year before Taxation	6.10	0.07	5.23	0.06
Provision for Taxation- Current Year & Earlier years	0.91	0.01	0.81	0.01
Deferred Tax	0.00	0.00	0.00	0.00
Net Profit / (Loss) after Tax	5.19	0.06	4.42	0.05

During the year No Company / Body Corporate has become or ceased to be a subsidiary, joint venture or associate of the Company.



DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

DIRECTORS

A) Changes in Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Maj (R) Brijendra Singh (DIN: 00035599), Director retired by rotation and was re-appointed at the 35th Annual General Meeting of the Company.

B) Declaration by an Independent Director(s) and re- appointment

Declarations by Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 have been obtained.

An independent director can hold office for a term up to five consecutive years on the board of a company, but shall be eligible for reappointment for next five years on passing of a special resolution by the company and disclosure of such appointment in the board's report.

STATUTORY AUDITORS

M/s S. Ramanand Aiyar & Co., Chartered Accountants, New Delhi, Statutory Auditors of the Company, hold office till conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Audit Committee has recommended to reappoint M/s S. Ramanand, Aiyar & Co., Chartered Accountants as Auditors of the Company for Financial Year 2021-22.

A letter dated 25.08.2021 from M/s S. Ramanand, Aiyar & Co., Chartered Accountants, has been received to the effect that their appointment, if made, would be within the prescribed limits under Section 141 (3) (g) of the Companies Act, 2013 and that they are not disqualified for such appointment.

DETAILS REGARDING REMUNERATION OF EMPLOYEES OF THE COMPANY (As per Rule 50(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

A. DETAILS REGARDING REMUNERATION OF TOP TEN EMPLOYEES OF THE COMPANY

Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 details of the top ten employees in terms of remuneration drawn are attached with this report as **Annexure V**.



B. DETAILS REGARDING THE EMPLOYEES EARNING MORE THAN PRESCRIBED LIMIT

There is no employee in the Company who:

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees Ten Million Two Hundred Thousand;
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight Hundred Fifty Thousand per month;
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

SHARE CAPITAL

A) Authorised Share Capital

The Authorised Share Capital of your Company is Rupees One Hundred and Eighty Million only (comprising of Eighteen Million Equity Shares of Rs. 10/- each).

B) Paid-up Share Capital

The paid-up Share-up Capital of your Company is Rupees One Hundred and Eleven Million One Hundred and Ninety-Six Thousand and Eight Hundred Only (comprising of Eleven Million One Hundred and Nineteen Thousand Six Hundred and Eighty Equity Shares of Rs. 10/- each).

C) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

D) Issue of sweat equity shares

The Company has not issued any Sweat Equity Shares during the year under review.

E) Issue of employee stock options

The Company has not provided any Stock Option Scheme to the employees.



F) Bonus Shares

No Bonus Shares were issued during the year under review.

SIGNIFICANT & MATERIAL ORDERS PASSED BY REGULATORS/COURTS/TRIBUNAL

During the year there were no significant / material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company & its operation in the future.

INTERNAL COMPLAINT COMMITTEE (SEXUAL HARASSMENT)

The provisions of Section 4 (1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are applicable to the Company.

The Committee has been constituted by the management to consider and redress complaints of Sexual Harassment. The Chairman and Members of the Committee are as follows:

	Name	Contact Detail
Chairperson	Ms. Neetu Verma	8800115020 H/No. 284, Bhim Nagar, Gurugram-122001
Member	Mr. Akhileshwar Rai	9810293158 arai@hgsindia.com
External Members	Mrs. Madhurima Singh	011-26146326 E-2/9, Vasant Vihar, New Delhi-57

The Committee's Policy relating to sexual harassment matters as provided under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is Annexed as **Annexure-VI** and published on the website of the Company on www.hgsindia.com.

EXTRACT OF ANNUAL RETURN & WEB ADDRESS

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is annexed hereto in prescribed form i.e., MGT-9 as **Annexure-VII** and is published on the website of the Company on www.hgsindia.com.




ACKNOWLEDGEMENTS


The Directors wish to thank and gratefully acknowledge the sustained help and support received from Authorities, Financial Institutions, Bankers, Business Associates, Shareholders and technical partners of the Company.

The Directors also place on record their appreciation for the valuable co-operation & contribution made by employees at all levels.

Place: New Delhi
Date: 25.08.2021

For and on behalf of the Board of Directors


Anil Dass
Managing Director
DIN: 00043366


Samir Gugnani
Whole Time Director
DIN: 03518423

Annual ReportCorporate Social Responsibility in FY 2020-21

Total budgeted CSR Amount related to FY 2020-21	Rs. 1.297 Millions
Total CSR Amount spent related to 2020-21	Rs. 0.797 Millions
Unspent Amount related to FY 2020-21	Rs. 0.5 Millions

*Detail of the amount spent related to FY 2020-21

1	2	3	4	5	6	7	8
S. No.	CSR Project or Activity identified	Sector in which the project is Covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
01	Free Oxygen Sewa and Free Dialysis Sewa during Covid time	Health	Local Area	1.297 Million	(1) Rs. 0.484 Million	0.484 Million	Through implementing Agency namely Delhi Sikh Gurudwara management Committee
02	Prime Minister Relief Fund	Prime Minister Relief Fund	NA		(1) Rs. 0.313 Million	0.313 Million	Direct

- Unspent amount related to FY 2020-21 has been transferred to Unspent CSR Account and to be spent on ongoing project.

Corporate Social Responsibility Activities in FY 2019-20

Total budgeted CSR Amount related to FY 2019-20	Rs. 1.42 Millions
Total CSR Amount spent in FY 2020-21 related to 2019-20	Rs. 1.42 Millions
Unspent Amount related to FY 2019-20	Rs. 0.00

1	2	3	4	5	6	7	8
S. No.	CSR Project or Activity identified	Sector in which the project is Covered	Projects or Programs (3) Local area or other (4) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Sub heads: (3) Direct Expenditure on projects or programs. (4) Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
01	Empowering Women to Achieve Equality and Equity and the Right to Live with Dignity and Self-esteem	Women Empowerment	Local Area	1.42 Million	(1) Rs. 0.7 Million	0.7 Million	Through implementing Agency namely AI Action India
02	Free Oxygen Sewa and Free Dialysis Sewa during Covid time	Health	Local Area		(1) Rs. 0.22 Million	0.216 Million	Through implementing Agency namely Delhi Sikh Gurudwara management Committee
03	Eye and Detal Camps, Financial Support for School	Health and Education Sector	Local Area		(1) Rs. 0.5 Million	Rs. 0.5 Million	Through implementing Agency namely CADDIES Welfare Trust

Annexure-I

	going Children						
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FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

(i)

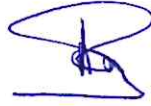
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	HGS Products B.V. "Formally known as Sensor Products B.V. (Wholly Owned Foreign Subsidiary)
b)	Nature of contracts/arrangements/transaction	Sale / Purchase of Goods
c)	Duration of the contracts / arrangements / transaction	01.04.2020 to 31.03.2021
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale: Rs. 4,82,42,848.00 Purchase: Rs. 2,31,58,003.00
e)	Date of approval by the Board	30.06.2020
f)	Amount paid as advances, if any	

Form shall be signed by the people who have signed the Board's Report.

For and on behalf of the Board of Directors

Place: New Delhi

Date: 25-08-2021



Anil Dass
Managing Director
DIN: 00043366



Samir Gugnani
Whole Time Director
DIN: 03518423



HGS (India) Limited

Nomination and Remuneration Policy

The Nomination & Remuneration Committee of HGS (India) Limited ("the Company") was reconstituted on April 1, 2014 consisting of two Independent Directors, one non-executive director and the Managing Director

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules. The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS

(a) Key Managerial Personnel: Key Managerial Personnel means—

- (i) Chief Executive Officer or the managing director or the manager;
- (ii) Company Secretary,
- (iii) Whole-Time Director;
- (iv) Chief Financial Officer; and
- (v) such other officer as may be prescribed.

(b) Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

3. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of Senior Management
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive



Director as an employee of the Company subject to the provision of the law and their service contract;

- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g) to devise a policy on Board diversity;
- h) to develop a succession plan for the Board and to regularly review the plan;

4. MEMBERSHIP

- a) The Committee shall consist of a minimum 2 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

- a) The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:



- A) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j) Recommend any necessary changes to the Board; and
- k) Considering any other matters as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- b) to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) to delegate any of its powers to one or more of its members or the Secretary of the Committee
- d) to consider any other matters as may be requested by the Board;
- e) Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	HGS Products B.V.
2.	Date since when subsidiary was acquired	27.01.2015
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2020 - 31.03.2021
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	EURO 1 EURO = Rupees 83.05 as on 31.03.2021
5.	Share capital	1,70,000.00
6.	Reserves & surplus	1,33,41,318.00
7.	Total assets	2,37,85,755.00
8.	Total Liabilities	1,02,74,437.00
9.	Investments	0.00
10.	Turnover	8,65,53,230.00
11.	Profit before taxation	61,04,156.00
12.	Provision for taxation	9,08,467.00
13.	Profit after taxation	51,95,689.00
14.	Proposed Dividend	0.00
15.	% of shareholding	100.00%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	NA	NA	NA
1. Latest audited Balance Sheet Date	-	-	-
2. Date on which associates/Join Ventures were associated/acquired	-	-	-
3. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding%	-	-	-

4. Description of how there is significant influence	-	-	-
5. Reason why the associate/joint venture is not consolidated	-	-	-
6. Net worth attributable to shareholding as per latest audited Balance Sheet	-	-	-
7. Profit/Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For & on behalf of Board of Directors



ANIL DASS
Managing Director & CFO
DIN NO. 00043366



SAMIR GUGNANI
Whole Time Director
DIN NO.03518423

-sd-
PARESH KUMAR SINGH
Company Secretary
Membership No. A15488

Date: 03.09.2021
Place: New Delhi

Annexure V

Details Regarding Remuneration of Top Ten Employees of the Company
(Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014)

AS ON 31.03.2021

S. No.	Name & Age of Employee	Qualification & Experience of the Employee	Designation	Remuneration (in INR)	Nature & Date of Commencement of Employment	Detail of Last Employment
01	Mr. Akhileshwar Rai Age 53 Years	DME	AGM- Production	28,89,966/-	Supervisor 05.10.1989	Previous Experience:- 1 year
02	Mr. Paresh Kumar Singh Age: 49 Years	CS, L.L.B	GM Legal & Company Secretary	22,27,606/-	23.06.2014	Previous Experience: 14 Years
03	Mr. Dhiraj Kumar Vashista Age 47 Years	C.A. (Inter)	Finance Controller	22,58,000/-	20.12.2006	Previous Experience:- 12 years
04	Mr. Shankho Majumdar Age: 49 Years	DEE	Manager- Production (Assembly)	15,16,475/-	Dy. MGR- Quality 03.10.2006	Previous Experience:- 10 years Last Employed with- Standard Electricals Ltd. (Havell's Group)
05	Mr. Karanjeet Dass Age: 28 Years	DE&CE PG -Operation Management	Manager- Business Development	13,29,600/-		Previous Experience:- 16 years Last Employed With- Auto Ignition Ltd.

06	Mr. Rajesh Kashyap Age 52 Years	PG Diploma in Plastic Testing & Conversion Technology	Dy. Manager-Production (Extrusion)	14,13,508/-	Engineer - Production (Extrusion) 01.12.1996	Previous Experience:- 03 years Last Employed With - Urja Cables & Metals Ltd.
07	Mr. Dinesh Kaushik Age: 49 Years	CA, CMA & B.Com	GM Finance & Accounts	21,68,906/-	02.08.2017	Previous Experience:- 20 years
08	Mr. Sanjay Raja Ram Khode Age: 52 Years		GM Planning & Production Development	16,50,167/-	03.10.2017	Previous Experience:- 20 years
09	Mr. Ram Pher Age: 54Years	ITI Electronics	Dy. Manager-Engineering	12,11,659/-	Wireman 08.02.1988	Previous Experience:- 5 years Last Employed with Spen Electronic
10	Santumba Singh Age 52 years		Production and Development	10,95,591/-	01.12.1996	

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31-03-2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U74899DL1986PLC023341
13th February 1986
HGS (India) Limited
- ii) Registration Date
- iii) Name of the Company Unlisted Public Company
- iv) Category / Sub-Category of the Company A-259 (2nd Portion), 1st & 2nd Floor, Defence Colony, New Delhi-110024, Phone No. 011-46066604, Fax No. 011-24332772
- v) Address of the Registered office and contact details

vi) Whether listed company
No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
BEETAL Financial & Computer Services Pvt Ltd.
99, Madangir, behind LSC, New Delhi - 110062
Ph. 011-29961281-283 Fax 011-29961284

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /	NIC Code of the Product/service	% to total turnover of the company
1	Geophone Strings, Harnesses, Seismic Cables etc.	368	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section
1	HGS Products B.V. (Formally known as Sensor Products B.V.)	NA	Subsidiary	100%	2(87)

ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares		
1	Major Brijendra Singh	655920	5.90	0	665920	5.99	0	0.09		
2	Mr. Anil Dass	1036800	9.32	0	1046800	9.41	0	0.09		
3	Sowar Pvt Ltd	3400560	30.58	0	3400560	30.58	0	0		
4	Queensgate Holding (India) Pvt Ltd	818640	7.36	0	818640	7.36	0	0		
5	Mr. Shashi Singh	731520	6.58	0	731520	6.58	0	0		
6	Ms. Chaya Cecilia Ramel Homann	64800	0.58	0	64800	0.58	0	0		
7	Mr. Anil Henrik Ramel Singh	64800	0.58	0	64800	0.58	0	0		
8	Ms. Anjali Singh	201600	1.81	0	201600	1.81	0	0		
9	Mrs. Manjul Rana	252000	2.27	0	252000	2.27	0	0		
10	Mr. Karan Singh	64800	0.58	0	64800	0.58	0	0		
11	Ms. Trishna Singh	64800	0.58	0	64800	0.58	0	0		
12	Mr. Shailendra Singh	104400	0.94	0	104400	0.94	0	0		
13	Mr. Pawan Singh	475200	4.27	0	475200	4.27	0	0		
Total		7935840	71.37	0	7955840	71.55	0	0.18		

iii) Change in promoters's shareholding (Please specify, if there is no change)

S. No.	No. of Shares held at the beginning of the year	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company
	No. of Shares 7935840	No. of Shares 7935840	% of total shares of the Company 71.37
	At the beginning of the year		
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	10000 Shares were purchased by Mr. Anil Dass from Beena Dosija on 24.02.2021 and 10000 shares were purchased by Maj (R) Brijendra Singh from Beena Dosija on 22.02.2021.	
	At the end of the year	7955840	71.55
Total			71.55

iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
01	M/s ION Exploration Products (USA) Inc.	1080000	9.71	1080000	9.71
	At the beginning of the year				
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	1080000	9.71	1080000	9.71

02	Mrs. Preneet Kaur	No. of Shares 324000	% of total shares of the Company 2.91	No. of Shares 324000	% of total shares of the Company 2.91
	At the beginning of the year				
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	324000	2.91	324000	2.91
03	Mr. Anil Seth	No. of Shares 216000	% of total shares of the Company 1.94	No. of Shares 216000	% of total shares of the Company 1.94
	At the beginning of the year				
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	216000	1.94	216000	1.94
04	Mr. Veena Uttamsingh	No. of Shares 180000	% of total shares of the Company 1.62	No. of Shares 180000	% of total shares of the Company 1.62
	At the beginning of the year				

	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	180000	1.62	180000	1.62
05	MRS. ANEETA BHATIA /HMR. ANAND NARAIN BHATIA	No. of Shares 144000	% of total shares of the Company 1.30	No. of Shares 144000	% of total shares of the Company 1.30
	At the beginning of the year				
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	144000	1.30	144000	1.30
06	Beena Dosija //H Anil Dosija	No. of Shares 137500	% of total shares of the Company 1.24	No. of Shares 137500	% of total shares of the Company 1.24
	At the beginning of the year				

		Transferred 10000 Shares to Mr. Anil Dass, 10000 Shares to Maj (R) Bijendra Singh, 5000 shares to Renu Matta and 5000 Shares to ATHARVA SHREE MATTA			
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)	107500	0.97	107500	0.97
	AMBITA VERDI J/H Ravi Indra Singh Verdi	No. of Shares 108000	% of total shares of the Company 0.97	No. of Shares 108000	% of total shares of the Company 0.97
07	At the beginning of the year				
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	108000	0.97	108000	0.97
	PRASAD SAMRAJYAM NAIDU/H MRS. ANISA NAIDU	No. of Shares 108000	% of total shares of the Company 0.97	No. of Shares 108000	% of total shares of the Company 0.97
08	At the beginning of the year				

	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	108000	0.97	108000	0.97	
09	BALBIR SINGH MALIK	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	% of total shares of the Company
	At the beginning of the year	104400	0.94	104400	0.94	0.94
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	104400	0.94	104400	0.94	
10	M/S USHA INTERNATIONAL LTD	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	% of total shares of the Company
	At the beginning of the year	72000	0.65	72000	0.65	0.65
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change

	At the end of the year (or on the date of separation, if separated during the year)	72000	0.65	72000	0.65
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iv) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and Key Managerial Personne	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
01	Maj (R) Brijendra Singh	655920	5.90	655920	5.90
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	Bought 10000 Shares from Beena Dosija on 22.02.2021			
	At the end of the year	665920	5.99	665920	5.99
02	Mr. Anil Dass	1036800	9.32	1036800	9.32
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	Bought 10000 Shares from Beena Dosija on 24.02.2021			
	At the end of the year	1046800	9.41	1046800	9.41
03	Mr. Anand Narain Bhatia	39600	0.36	39600	0.36
	At the beginning of the year				

v) INDEBTEDNESS:				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	0	0	0	0
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)				

vi) Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Mr. Anil Dass	Mr. Samir Gugnani	Total Amount
1	Gross Salary				13797576
	a) Salary as per provisions contained in section 17(1) of the Income Act, 1961		10646728	3150848	0
	b) Value of perquisites u/s 17 (2) Income-tax Act 1961				
	c) profits in lieu of salary under section 17 (3) Income-tax Act 1961		0	0	
2	Stock Option				
3	Sweat Equity				
4	Commission-as % of profit -others, specify		509532	0	509532
5	Others, please specify		11156260	3150848	14307108
	Total (A)				8400000
	Ceiling as per the Act				

Note *Pursuant to provisions of Section 197 read with part II of Schedule V of Companies Act, 2013 and Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Approval from Shareholders in the Annual General Meeting held on 25.09.2018, has been taken to pay the Remuneration to Managerial Personnel in excess of the limit given as per the Act.

B. Remuneration to others directors:

S. No.	Particulars of Remuneration	Name of Directors	Mr. Anand Narain Bhatia	Mrs. Malti Sen	Total Amount
	1) Independent Directors * Fee for attending board Committee meeting * Commission * Others, Please specify		90000 (Fee for attending board Committee meeting)	65000 (Fee for attending board Committee meeting)	155000 (Fee for attending board Committee meeting)
	Total (1)		90000	65000	155000
		Major Brijendra Singh			

2) Other Non-Executive Directors * Fee for attending board Committee meeting * Commission * Others, Please specify	40000(Fee for attending board Committee meeting) 40000(Fee for attending meeting)	40000(Fee for attending board Committee meeting) 40000(Fee for attending meeting)	195000 14502108 100000 each per meeting
2 Total (2)			
3 Total (B)=(1+2)			
4 Total Managerial Remuneration			
5 Overall Ceiling as per the Act (2)			

A. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

S. No.	Particulars of Remuneration	Name of CEO, CS & CFO	Total Amount
		Mr. Paresh Singh	
1	Gross Salary	2227606	2227606
	a) Salary as per provisions contained in section 17(1) of the Income Act, 1961	0	0
	b) Value of perquisites u/s 17 (2) Income-tax Act 1961	0	0
	c) profits in lieu of salary under section 17 (3) Income-tax Act 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission-as % of profit -others, specify	0	0
5	Others, please specify	0	0
	Total (A)	2227606	2227606
	Ceiling as per the Act		NIL

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCE: NIL

Type	Section the Companies Act	Brief Description	Details of penalty /Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal Made if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					